



**BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING AGENDA
HONORABLE JUDY CHU, CHAIRWOMAN
450 N STREET, SACRAMENTO, ROOM 121
NOVEMBER 12, 2008 9:30 AM**

----- Agenda -----

I. 2009 Legislative Proposals

**BUSINESS TAXES
SALES AND USE TAXES**

2009 Legislative Proposals

Set forth below are suggestions for Sales and Use Taxes legislation to be sponsored by the Board in the first year of the 2009-2010 Legislative Session (see attachments). Additional suggestions will be included on the agenda for December 2008.

**Suggestion
Number**

3-1 Amend Revenue and Taxation Code Sections 6452.1, 6453, 6487.3, and 18510 to eliminate the sunset date of December 31, 2009, to continue to require the Franchise Tax Board to provide a line for payment of use tax on the state income tax returns.

Source: Sales and Use Tax Department

Revenue Impact: Continuance of annual \$6 million ongoing state and local revenue

3-2 Amend Revenue and Taxation Code Section 6069 of the Sales and Use Tax Law to increase the reinstatement fee on revoked seller's permits from fifty dollars (\$50) to one hundred dollars (\$100).

Source: Sales and Use Tax Department

Revenue Impact: \$400,000 annual revenue increase

- 3-3** Amend Revenue and Taxation Code Section 7054 of the Sales and Use Tax Law to authorize the Board to impose a 25% penalty when a taxpayer fails or refuses to timely or adequately furnish any information, documents, or books and records requested in writing by the Board during an examination or audit engagement, unless the failure is due to reasonable cause and is not due to willful neglect. To the extent they are applicable, similar provisions would be incorporated into the Board-administered special taxes and fees programs.

Source: Sales and Use Tax Department

Revenue Impact: Unknown. Penalty is intended to increase compliance and expedite audit process.

- 3-4** Amend Revenue and Taxation Code Section 6248 of the Sales and Use Tax Law to clarify the definition of “California resident” and the exception for repair, retrofit, and modification for purposes of the 12-month test for out-of-state purchases of vehicles, vessels and aircraft.

Source: Sales and Use Tax Department

Revenue Impact: Approximately \$490,000 annual state and local revenue gain

II. TABLE OF SECTIONS SCHEDULED TO SUNSET BY JANUARY 1, 2011

**Notification of law sections administered by the Board that will sunset by
January 1, 2011**

III. FINAL STATUS OF PROPOSALS FOR BOARD-SPONSORED LEGISLATION IN 2008

Report on final status of proposals for Board-Sponsored Legislation in 2008.